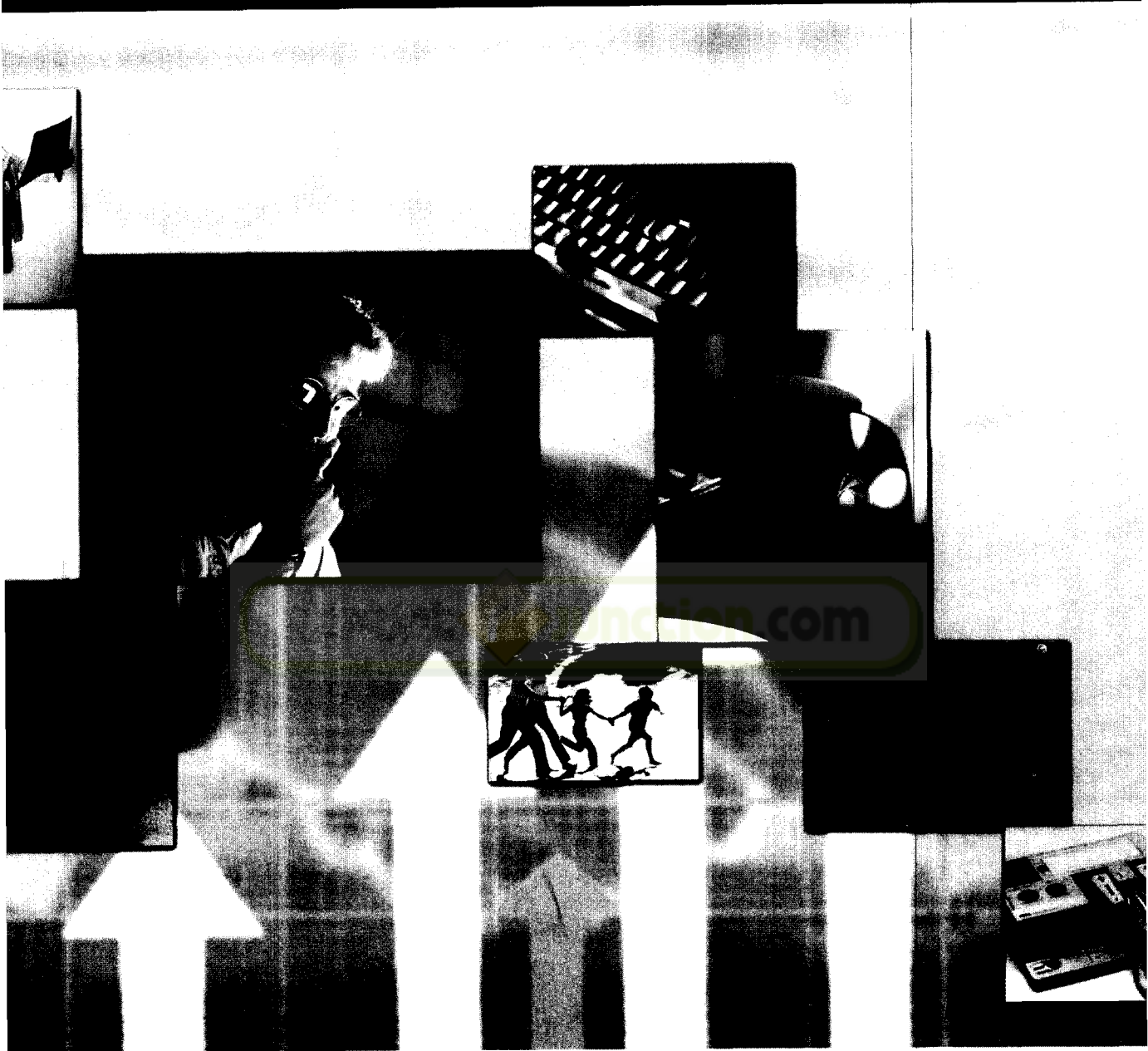


ANNUAL REPORT





ADVANCED MICRONIC DEVICES LTD

BOARD OF DIRECTORS	• Mr. Vinod Ramnani	Chairman and Managing Director
	• Mr. K. Vijaya Raghavan	Director
	• Mr. Bhaskar Valiveti	Whole Time Director
	• Mr. K. Ramadas	Whole Time Director
	• Mr. S.N. Kumar	Whole Time Director
	• Mr. Jayesh Patel	Director
	• Mrs. Usha Ramnani	Director

COMPANY SECRETARY • Mr. S. Ramesh

AUDITORS • Anand Shenoy & Co.
Chartered Accountants
S-2, II Floor, Gem Plaza,
No. 66, Infantry Road,
Bangalore - 560 001.

BANKERS • State Bank of India
Bangalore Commercial Branch,
Bangalore - 560 001.

• State Bank of Travancore
Residency Road Branch,
Residency Road, Bangalore - 560 025.

REGISTERED OFFICE • "Micronics House", No. 101, 15th Cross,
AND 2nd Block, Jayanagar, Bangalore - 560 011

INVESTOR'S SERVICE CELL Tel : 080-6565610, 6565611
Fax : 080-6566249

Annual General Meeting

Day & Date : Friday, 19th September 2003
Time : 12.00 Noon
Venue : Woodlands Hotel
No.5, Rajaram Mohan Roy Road,
Bangalore - 560 025



DIRECTOR'S REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their report on the business and operations of the Company for the year ended 31st March 2003.

(Rs.in lakhs)

Financial Results	Year Ended 31.03.03	Year Ended 31.03.02
Profit before Depreciation		
And Financial Charges	237.73	100.34
Less : Depreciation	28.14	21.69
Financial Charges	100.54	19.90
Provision for taxation	41.31	15.00
Profit for the year	67.74	43.75
Add : Prior year adjustment	1.13	10.80

APPROPRIATION:

Proposed Dividend	52.81	52.81
Carried to Balance Sheet	16.06	1.74

COMPANY PERFORMANCE

During the year under review your company recorded sales and service income of Rs. 30.70 crores, which represents 20.44% increased over the previous year. The operation resulted in a net profit of Rs. 67.74 lakhs which is 54.85% higher over the previous year.

DIVIDEND

Considering the performance of the Company, your Directors are pleased to recommend an Equity Dividend at the rate of 10% for the year ended 31st March 2003 on the equity share capital.

MANAGEMENT DISCUSSION AND ANALYSIS

- **Opportunity & Threats** - The opening of Insurance sector in health related areas has given a boost to health care industry. Several high tech hospitals have come up across the country and your company with its rich experience in supply and services of Medical equipments will be in an excellent position to exploit new opportunities. As for as threats are concerned, your Company is operating in an area where technology obsolescence is very high, and the industry is highly competitive.

- **Outlook** - The Medical health care industry in India is growing at a rapid pace. The Industry is expected to grow at

about 15% to 20% in the next few years. Your company with its experienced professionals will continue to grow in the coming year.

- **Internal Control System and Adequacy** - The Company has well laid internal control systems and procedures in all the areas of activities. The activities are also subject to internal and external Audit. The internal control systems and procedures are commensurate and adequate with the size and nature of the business of the Company.

- **Human Resources** - The Company considers its employees as valuable assets, and has adopted various HRD measures including proper appraisal of employees, placements, recognition, career growth prospects, improvement of managerial and internal personal skills through various training programs etc.. The Company had 325 employees as at 31st March 2003.

CORPORATE GOVERNANCE

Certificate dated 10th August 2003 of the auditors of your Company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchanges, is enclosed.

PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act 1956, read with Companies (Particulars of Employees) Rules 1975 as amended, is available at the Registered Office of your Company. As per the provisions of Section 219(1)(b)(iv) of the said Act, the Report and Accounts are being sent to all shareholders of the Company excluding the statement of particulars of employees u/s 217(2A) of the said Act. Any shareholder interested in obtaining a copy of this statement may write to the Company Secretary at the Registered Office of the Company.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

In pursuance of the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are furnished below:



1. Conservation of Energy: The operations of your company are not energy intensive. Adequate measures have, however, been taken to reduce energy consumption by using energy efficient computer terminals. Air-conditioners are used only when required, thereby enhancing energy efficiency.
2. Research and Development: Not applicable.
3. Technology Absorption: Not applicable.
4. Foreign Exchange Earnings and outgo: The Company earned Rs. 588.17 lakhs in Foreign Exchange. The Foreign Exchange outgo including capital goods was Rs 1701.18 lakhs.

RESPONSIBILITY STATEMENTS

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to the Directors Responsibility Statement, it is hereby confirmed:

That in the preparation of the Annual Accounts for the financial year ended 31st March, 2003, the applicable accounting standards have been followed along with proper explanation relating to material departures;

That they have selected such appropriate accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.

That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:

That the Directors have prepared the annual accounts for the financial year ended 31st March 2003 on a going concern basis.

LISTING OF SECURITIES

The Company's securities are listed in Bangalore Stock Exchange, Mumbai Stock Exchange.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public during the year.

PERSONNEL

The Employer-Employee relationship was cordial throughout the year under review. The Board wishes to express its appreciation to all the sections of employees for their contribution to the growth of the business during the year.

DIRECTORS

Mrs. Usha Ramnani and Mr. Bhaskar Valiveti retire by rotation and being eligible offers themselves for re-election. Mr. K Ramadas resigned as Whole time Director, effective from 30th September 2002 and Mr. Vijaya Raghavan resigned as Director from 31st March 2003. The Board wishes to place on record its appreciation of the valuable services rendered by Mr. K Ramadas and Mr. K. Vijaya Raghavan during their association with the Company.

GRATUITY AND LEAVE TRAVEL

The Company has not made any provision towards the gratuity and leave travel liability as noted by the auditors vide their report dated 26th June 2003. The Company will however provide for the gratuity during the current financial year based on the actuarial valuation and Leave Travel on accrual basis.

AUDITORS

The auditors M/s. Anand Shenoy & Co., Chartered Accountants, Bangalore retire at the conclusion of the forthcoming Annual General Meeting. Your Company has received a letter from them to the effect that their re-appointment, if made, will be in accordance with the provisions of Section 224(1-B) of the Companies Act 1956.

ACKNOWLEDGMENT

The Directors wish to thank all shareholders and business partners. Your Company's bankers, financial institutions, and business associate for their continued support and valuable co-operation. The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

For and on behalf of the Board

Place: Bangalore
Date : 10.08.2003

VINOD RAMNANI
Chairman & Managing Director



CORPORATE GOVERNANCE

In compliance with clause 49 of the Listing Agreement with Stock Exchanges, the Company submit the report on the matters mentioned in the said clause and lists the practices followed by the Company.

1. PHILOSOPHY ON THE CODE OF GOVERNANCE

Advanced Micronic Devices Limited's philosophy on corporate governance envisages transparency, accountability, integrity, consistence value systems, delegation and responsibility. The Company tries to work by these principles in all its interactions with Shareholders, Employees, customers, suppliers and statutory authorities. The Corporate Governance composition of a universe combination of factors likes regulations, compliance, policies and economic environments, voluntary practices and disclosures.

2. BOARD OF DIRECTORS

The present strength of Board of Directors of your Company is 7 Directors.

Composition and category of Directors are as follows

Category	Name of the Director
Chairman & Managing Director	Mr. Vinod Ramnani
Whole time Directors	Mr. Bhaskar Valiveti Mr. S N Kumar Mr. K Ramadas
Non Executive Directors	Mr. K Vijaya Raghavan Mr. Jayesh C Patel Mrs. Usha Ramnani

Particulars of Directorship of Board, Membership and office of the Chairman of committees of Board, across all companies held by all the Directors of the Company and attendance at the Board Meetings of the Company held during the year are given below.

Name of the Director	Attendance Particulars for the year ended 31st March 2003		No of Committee member/chairmanships as on 31st March 2003	
	Board Meeting Of the Company	Last AGM of the Company	Committee Membership	Committee Chairmanship
Vinod Ramnani	12	YES	Investor's Grievance	None
Usha Ramnani	12	YES	Audit Committee	None
Jayesh C Patel	4	No	Audit Committee	None
K Vijaya Raghavan	5	NO	Audit Committee	None
Bhaskar Valiveti	12	Yes		
S N Kumar	12	Yes		
K Ramadas	4	No		

Pursuant to the provisions of the Companies Act 1956, Mrs. Usha Ramnani, and Mr. Bhaskar Valiveti by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reelection.

3. AUDIT COMMITTEE

The Board of the Company has constituted an Audit Committee comprising of three Non executive Directors viz., Mr. K. Vijaya Raghavan and Mrs. Usha Ramnani and Mr. Jayesh Patel. The terms of reference stipulated by the Board to the Audit committee cover the matters specified under clause 49 of the Listing Agreement as well as Section 292 A of the Companies Act 1956. Four Audit Committee Meetings were held during the year ended 31st March 2003. The dates on which Meetings are held were as follows 28th June 2002, 31st July 2002, 30th October 2002 and 29th January.2003.

The attendance of each member of the committee is given below.

Name of the Director	No of Audit Committee Meetings
Mr. K Vijaya Raghavan	4
Mrs.Usha Ramanani	4
Mr. Jayesh Patel	2

4. REMUNERATION TO DIRECTORS

The Wholtime director's remuneration is approved by the Board within the overall limit fixed by the shareholders at their meetings. Presently, Non-Executive Directors do not draw any remuneration other than Board/Committee Meeting sitting fees.

The details of the remuneration paid to the Directors during the year 2002-03 are given below.

Name of the Director	Salary #	Perquisites*	Total
Mr. Vinod Ramnani	NIL	NIL	NIL
Mr. Bhaskar Valiveti	7,20,000	86,400	806,400
Mr. S N Kumar	6,60,000	259,200	919,200
Mrs. Usha Ramnani	NIL	NIL	NIL
Mr. Jayesh C Patel	NIL	NIL	NIL
Mr. K Vijaya Raghavan	NIL	NIL	NIL
Mr. K Ramdas	3,30,000	39,600	3,69,600

Salary includes bonus.

*Perquisites includes House Rent Allowance, Leave Travel Assistance, Medical Reimbursement and contribution to Provident Fund and Superannuation Fund.

Besides this, all the Whole time Directors were also entitled to Gratuity and encashment of leave at the end of tenure, as per the rules of the Company.

5. SHAREHOLDER'S / INVESTORS' GRIEVANCE COMMITTEE

The Board of the Company had constituted a Shareholders'/Investors' Grievance Committee, comprising of Mr.K Vijaya Raghavan and Mrs. Usharamnani and Mr. Vinod Ramnani as its Chairman. The Committee, interalia, approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of securities. The committee looks into shareholders' complaints like transfer of shares, non receipts of balance sheet, non receipt of declared dividends, etc . The committee oversees the performance of the Registrar and Transfer Agents, and recommends measures for overall improvement in the quality of investor services. The Board of Directors has delegated the power of approving transfer of securities to M/s Karvy Consultants Limited and Mr. S Ramesh. Company Secretary of the Company.

The Board has designated Mr. S Ramesh as Compliance Officer.



The total number of Complaints received and replied to, to the satisfaction of shareholders during the year under review, were 28. Outstanding complaints as on 31st March 2003 were 3 which were attended/replied by 2nd week of April 2003. As on 31st March 2003 the shares held in Electronic and physical are 80.74% and 19.26% respectively.

6. DISCLOSURES

No transaction of a material nature has been entered into by the Company with Directors or Management and their relatives etc. that may have a potential conflict with the interest of the Company.

There has been no instance of non-compliance by the company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.

7. MEANS OF COMMUNICATION

The annual, half yearly and quarterly results are regularly submitted to the Stock Exchange in accordance with the listing agreement and published in leading newspapers like 'The Economic Times and Business Standard.

The management discussions and Analysis report forms part of the annual report and is captioned "Management Discussion and Analysis" in Directors Report.

8. GENERAL SHAREHOLDER INFORMATION

8.1 Annual General Meeting

Date and Time	19th September 2003
	12 Noon
Venue	Woodlands Hotel Pvt Ltd., NO 5, Rajaram Mohan Roy Road Bangalore - 560 025.

8.2 Financial Calendar (Tentative)	:	Results for the quarter 30 th June 2003-26th July 2003
	:	Results for the quarter 30 th Sept 2003 - Last week of October 2003.
	:	Results for the quarter 31 th December 2003 -Last week of January 2004.
	:	Results for the quarter 31 st March 2004 -Last week of June 2004.
	:	Annual General Meeting for the approval of the Audited accounts for the year ended 31 st March 2004 - September 2004

8.3 Details of Book Closure	:	From 16th September 2003 to 19th September 2003 (both days inclusive)
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8.4 Dividend payment	:	on or after 19th September 2003
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8.5 Listing of Equity shares on Stock Exchanges	
	Mumbai Stock Exchange Bangalore Stock Exchange

8.6 Stock Code

a. Trading Symbol Bombay Stock Exchange	:	ADVAN MICR D Code: 517552
b. Demat ISIN Numbers in NSDL and CDSL for equity Shares	:	ISIN No INE E903C01013



8.7 Stock Market Data high and low quotations at Bombay Stock Exchange.

Date	High (Rs.)	Low (Rs.)	No. of Shares
April	10.25	8.05	14821
May	12.20	8.05	8670
June	11.25	8.15	14120
July	16.70	9.25	48852
August	12.35	9.00	4066
September	11.80	9.00	12117
October	12.75	8.30	23110
November	14.70	10.00	11232
December	13.90	10.55	12656
January	12.00	9.50	24539
February	10.40	8.50	6726
March	10.20	8.50	4850

8.8 Registrar & Transfer Agents

(Share transfer and communication regarding share certificate, dividends and change of Address)

Mr. S Kannan / Mr. S Kumar

Karvy Consultants Limited

No 51/2, Vanivilas Road Opp National College,

Basavanagudi, Bangalore-560004

E-Mail : bangalore@karvy.com

8.9 Share Transfer System

Presently the share transfers which are received in physical form are processed and the share certificates returned within a period of 15 to 16 days from the date of receipt, subject to the documents being valid and complete in all respects.

The Company has as per SEBI guidelines with effect from 1st July, 2002 offered the facility of transfer cum demat. Under the said system after the share transfer is effected, an option letter is sent to the transferee indicating the details of the transferred shares and requesting him/her/them in case he/she/they wishes to demat the shares, to approach a Depository Participant (DP) with the option letter. The DP based on the option letter, generates a demat request and sends the same to the Company along with the option letter issued by the Company. On receipt of the same, the Company dematerialise the same. In case the transferee does not wish to dematerialise the shares, he need not exercise the option and the Company then despatches the share certificates after 30 days from the date of such option letter.



8.10 - DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2003

Share Holding of Nominal Value of Rs Category	Share Holders		Share Amount Nominal Value	
	No of Share Holders	% to Total No. of Share Holders	In Rs.	% to Total
UPTO - 5000	6724	91.57	9442360	17.88
5001 - 10000	378	5.15	3186070	6.03
10001 - 20000	137	1.87	2164000	4.10
20001 - 30000	39	0.53	979260	1.85
30001 - 40000	13	0.16	461500	0.87
40001 - 50000	17	0.23	797700	1.51
50001 - 100000	22	0.30	1494650	2.83
100001	13	0.16	34285460	64.92
TOTAL	7343	100.00	52811000	100.00

8.11 - SHAREHOLDING PATTERN AS ON 31ST MARCH 2003

Category	No. of Shares Held	% of Share Holding
Promoter's Holding		
Promoters		
Indian Promoters	3168165	59.99
Sub Total	3168165	59.99
Non Promoter's Holding		
Institutional Investors		
Mutual Funds and UTI	2400	0.05
Banks, Financial Institutions, Insurance Companies	700	0.01
FIs	3000	0.06
Sub Total	6100	0.12
Others		
Private Corporate Bodies	175528	3.32
Indian Public	1809896	34.27
NRIs/OCBs	120950	2.29
Any Other		
Clearing Member	461	0.01
Sub Total	2106835	39.89
Grand Total	5281100	100.00